

December 27, 2006

Preston Black
Director
Office of Legal Affairs
Indiana State Department of Health

Dear Mr. Black:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis associated with LSA Document 06-139 proposed by the Indiana State Department of Health (ISDH). The proposed rule contains requirements for post-surgical monitoring of morbid obesity patients and the reporting of deaths and serious adverse effects from surgical treatments for morbid obesity. The rule implements amendments to IC 16-40 contained in SEA 255-06, which requires reporting of waist circumference of bariatric surgery patients at the time of surgery and at 30, 60, and 90 day intervals post surgery, and at a one-year interval from the time of surgery. The requirement of a waist circumference report at a 60 day period has been added by this rule to provide another data point for tracking changes in patients' waist circumferences. Current law also requires the reporting of death or serious side effects resulting from bariatric surgery. The ISDH believes the changes contained in the rule are consistent with the requirements under IC 16-40.

The ISDH estimates there are approximately 30 physicians, some of whom may be classified as small businesses, performing bariatric surgery in Indiana. The economic impact associated with the rule consists of cost incurred preparing the required reports. ISDH estimates that the annual cost per physician for preparing waist circumference reports for all patients is approximately \$150. Assuming all 30 physicians who may perform bariatric surgery file the reports and are small businesses, the total cost to small businesses associated with this provision is \$4,500 [\$150X 30]. ISDH estimates that the cost of reporting death or serious adverse effects associated with bariatric surgery is approximately \$150 per reported event. Assuming an estimate 255 events reported each year (as reflected in the impact statement), the total annual cost associated with this provision is \$38,250 [\$150 X 255]. This results in a total annual economic impact for all affected entities of \$42,750 [\$4,500 + \$38,250]. The impact statement indicates that ISDH does not anticipate any administrative or other economic impact to affected small businesses other than those outlined above.

The IEDC does not object to the fiscal impact associated with the proposed rule. The provisions of the rule will help ISDH to perform duties as outlined by existing statute and recent amendments and will also help the ISDH monitor important data and trends. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Director – Research
Indiana Economic Development Corporation